

## Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

NOTE-00 INR-07 NSAE-00 FAA-00 L-03 H-02 IO-10 SS-15

NSC-05 PA-01 PRS-01 USIA-06 /072 W

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R 111704Z JUN 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 0683

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E.O. 11652: N/A

TAGS: EAIR, XX

SUBJECT: CIVAIR: AIRLINE COMMISSION RATE DISPUTE

REF: A. 124031 B. STATE 120937/1 C. STATE 109765

D. BONN 07701

1. IN THE COURSE OF AN INITIAL TELEPHONE DISCUSSION ON THE SUBSTANCE OF REFTEL B, EMBASSY WAS TOLD THAT AVIATION DEPARTMENT, FEDERAL MINISTRY OF TRANSPORT (FMT) HAD ALREADY RECEIVED THE TEXT OF THE JOINT US/UK STATEMENT THROUGH UK GOVERNMENT CHANNELS.

2. AT THE SAME TIME THE EMBASSY WAS READ THE TEXT OF A MESSAGE SENT BY THE FMT ON MAY 20 TO THE UK CIVIL AVIATION AUTHORITY PRIOR TO THE DEPARTURE OF THE UK DELEGATION FOR WASHINGTON. THE MESSAGE SUMMARIZED FRG ACTION TAKEN ON THE PAA COMMISSION PLAN AS OF MAY 20, 1975. QUOTED BELOW FOR THE DEPARTMENT'S INFORMATION IS THE TEXT OF THIS MESSAGE: BEGIN QUOTE:

"AFTER DISCUSSION WITH PAA AND UPON DEMARCHE BY US EMBASSY I HAVE GRANTED PAA PERMISSION TODAY (20 MAY) (EXPIRACY OF 15 DAY PERIOD FOR ANNOUNCEMENT OF DISSATISFACTION AND TIME LIMIT FOR CONTESTING MY REFUSAL OF APRIL 17, 1975):

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A. TO APPLY NICE MAJORITY AGREEMENT FOR SALES WITHIN

THE FRG EVEN IF TRANSPORTATION SOLD DOES NOT TOUCH  
TERRITORY OF FRG.

B. TO APPLY PAA INCENTIVE COMMISSION PLAN FOR SALES TO  
FOREIGN COUNTRIES AS FAR AS THIS IS POSSIBLE UNDER  
LOCAL LEGISLATION.

PERMISSION WAS GRANTED ONLY AFTER MY REQUEST FOR SUB-  
MITTING AN APPLICATION HAD BEEN COMPLIED WITH BY PAA.  
PAA POINTED OUT THAT IT - AS WELL AS USG - DID NOT SHARE  
MY LEGAL STANDPOINT, ACCORDING TO WHICH THE TERM  
"TARIFF" COVERS ALSO THE COMMISSION AND THAT THESE  
COMMISSIONS, THEREFORE, ARE SUBJECT TO APPROVAL.  
THEREFORE, PAA HAS SUBMITTED APPLICATION ONLY TO AVOID  
DISADVANTAGES. AS CONCERNS TRANSPORTATION INTO THE  
FRG, I HAVE CHANGED MY REFUSING ATTITUDE AS RENEWED  
EXAMINATION HAS SHOWN THAT LEGAL POSSIBILITIES FOR  
SANCTIONS DO NOT EXIST FOR ENFORCING POSSIBLE INTER-  
DICTION TO THE APPLICATION OF THE PAA COMMISSION PLAN.  
AS DLH INFORMS ME, THERE IS HARD COMPETITION IN THE  
US ON ACCOUNT OF MUTUAL OVERBIDDING WITH HIGHER  
COMMISSIONS IN WHICH BRITISH AIRWAYS ALSO PARTICIPATE.  
CONSIDERING THIS SITUATION, I HAVE PERMITTED DLH UPON  
ITS REQUEST, AND SUBJECT TO WITHDRAWAL, TO PAY AS FROM  
TODAY UP TO 8 PERCENT COMMISSION ON SALES IN THE USA  
IN ORDER TO RE-ESTABLISH EQUAL OPPORTUNITIES FOR COM-  
PETITION AS LONG AS OTHER CARRIERS GIVE COMMISSIONS OF  
8 PERCENT OR MORE.  
END QUOTE

3. COMMENT: THE "DEMARCHÉ" REFERRED TO IN THE ABOVE  
FMT MESSAGE TO THE BRITISH CONSISTED ONLY OF A LOW-KEY  
APPROACH MADE BY EMBOFF TO A FMT OFFICIAL AS PER  
INSTRUCTIONS REF C.  
HILLENBRAND

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** RESOLUTIONS, INCENTIVE WAGE SYSTEMS, AVIATION AGREEMENTS, AIRLINES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 11 JUN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ellisoob  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
**Drafter:** n/a  
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**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750204-0061  
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**Image Path:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CIVAIR: AIRLINE COMMISSION RATE DISPUTE  
**TAGS:** EAIR, XX, US, PANAM, IATA  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006